

Honolulu, Hawaii

Feb. 16 , 2006RE: S.B. No. 3211
S.D. 1

Honorable Robert Bunda
President of the Senate
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Human Services, to which was referred S.B. No. 3211 entitled:

"A BILL FOR AN ACT RELATING TO GENERAL EXCISE TAX,"

begs leave to report as follows:

The purpose of this measure is to provide excise tax relief for persons who are blind, deaf, and totally disabled (taxpayers), as follows:

- (1) To provide for certification for and to define eligible persons who are blind, deaf, or totally disabled;
- (2) To exempt up to \$2,000 a year of excise tax on business activities of a trust established for the benefit of taxpayers; and
- (3) To levy a excise tax of up to one-half per cent on the income of trusts established for the sole benefit of taxpayers.

Your Committee received comments on this measure from the Department of Taxation (DOTAX) and Tax Foundation of Hawaii.

According to DOTAX, this measure would make a technical amendment to current tax law. The general excise tax currently provides tax relief for any individual who is blind, deaf, or totally disabled, and for a corporation, partnership, or limited liability company, the members of which are blind, deaf, or



totally disabled. This measure includes a trust, the sole beneficiary of which is blind, deaf, or totally disabled, within this general excise tax relief.

Your Committee finds that the blind, deaf, and totally disabled deserve all available excise tax benefits in any of these forms.

Your Committee has amended this measure to add a reference to "Air Force" in the certification provision.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3211, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3211, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Human Services,


SUZANNE CHUN OAKLAND, Chair



